

- *Legislation Would Discourage and Disincentivize Outsourcing* -

- *Patriot Corporations of America Act would Give Tax Breaks and Federal Contract Preference to Companies that Invest in American Workers* - Washington, DC – U.S. Rep. John Hall (D-Dover) announced today that he will help introduce the Patriot Corporations of America Act, legislation that would reward companies that keep American jobs at home and are good corporate citizens, tomorrow in the House. The legislation would help end the recent outsourcing of jobs from companies such as IBM that also seek government contracts and assistance. Similar legislation that Hall supported was introduced last Congress, but was never signed into law. Hall predicts that in the current economic climate, the Patriot Corporations of America Act is more likely to be signed into law this year.

"In today's difficult economic times corporations should be encouraged to commit to America and American workers," said Hall. "The Patriot Corporations of America Act would do so by rewarding the companies that invest in our nation's economic future. Instead of providing corporations taxpayer financed incentives to slash employee benefits, offshore their finances, and outsource jobs, the Patriot Corporations Act would encourage American corporations to invest here at home instead of overseas."

Currently, the US government provides billions of dollars in subsidies and tax breaks to companies that outsource jobs and relocate factories to lower their tax bill and reduce labor costs.

"We need to stop rewarding companies that outsource labor and dodge US taxes," Hall said. "We need to make corporations earn their tax incentives and their federal contracts by investing in American workers. Government funds need to be spent to create new American jobs, not to take existing jobs here and move them overseas. "

The Patriot Corporations of America Act provides tax benefits and preference in federal contracting to companies that meet a number of standards:

- avoid outsourcing jobs
  - pay equitable wages
  - contribute to employee pension plans and health insurance and
  - follow federal regulations on the environment, workplace safety, labor relations, and consumer protections.
- To qualify as a Patriot Corporation, a company would need to produce at least 90% of their goods and services domestically and do at least 50% of their research and development in the U.S. They must also limit the compensation of their top management to no greater than 100 times the salary paid to their lowest-compensated full-time worker.

Patriot Corporations do not only hire American workers, they treat those workers well. They must contribute at least 5% of payroll to an employee pension fund and pay for at least 70% of the cost of health insurance plans. Patriot Corporations must also be good citizens, they must comply with all federal regulations regarding the environment, workplace safety, consumer protections and labor relations, including maintaining neutrality in employee organizing drives.

"We need to be in the business of protecting middle class workers instead of billionaires and outsourcing corporations," said Hall. "I am hopeful that in today's economy, The Patriot

Corporations of America will be signed into law and we can reward companies who do the right thing for America."

-30-